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STATE FOR T, IO/T, ISN/NESS, ISN/MNSA DOE FOR NA-243-GOOREVICH; NRC FOR JSCHWARTZMAN, MDOANE

E.O. 12958: DECL: 07/07/2034

TAGS: AORC KNNP IAEA ENRG TRGY RU IN

SUBJECT: ASSURANCE OF NUCLEAR FUEL SUPPLY: RUSSIAN REVIEW

OF IAEA BOARD DISCUSSION

REF: UNVIE 301

Classified By: CHARGE D'AFFAIRES: GEOFFREY PYATT for reasons 1.4(c) and (e)

- ¶1. (SBU) In a meeting with Russian Ambassador Zmeyevskiy and Russian Counselor Karasev on June 30, Charge suggested that it would be productive to convene soon the supporters of nuclear fuel assurances to discuss potential next steps, given the outcome of the June Board meeting (reftel). Zmeyevskiy agreed that the U.S. and Russia needed to "do something," but he did not have an "official position" on future direction. Zmeyevskiy said that it was necessary to work with others, especially the non-supporters, to avoid a further North/South rift that could end up affecting all IAEA issues. He questioned whether it might be possible to invent some "tactical scheme" that does not spoil the situation.
- (SBU) Zmeyevskiy noted that there was a split within the G-77, as not everyone in the group opposes advancing toward Board action on fuel assurances, but it would be difficult for the positively disposed developing countries to take an independent line. Zmeyevskiy suggested that we encourage G-77 states with a constructive interest in the issue to reach out to Director General (DG) ElBaradei, as he would likely be able to reason with and neutralize some of the non-supporters. Charge responded that even the DG seemed surprised on how negatively the G-77 had expressed itself on the issue in the Board; it now appeared the DG is ready to back off again into passivity. Zmeyevskiy commented that the pursuit of nuclear fuel assurances was ElBaradei's "baby' could become his "monument" after his departure from the IAEA. Charge agreed and recommended that both Russia and the U.S. continue to encourage the DG in this direction. addition, Charge noted his follow-on conversations with Egyptian Ambassador Fauzi and South African Ambassador Gumbi had been more positive than their groups' formal statements in the Board, and that the supporters needed to treat the skeptics' questions seriously.
- 13. (C) Charge expressed his disappointment with India's unhelpful behavior during the Board's discussion of assurance of supply, but welcomed Russia's Permanent Representative Berdennikov's comment that India would not suffer under this arrangement. Zmeyevskiy responded that Indian Ambassador

Kumar had approached the Russian delegation about Berdennikov's remark, and noted how it became apparent to him that Russia and India were talking past each other, which was part of the problem. Zmeyevskiy said that NPT accession was not a consdieration for India, since India wants to be recognized as a nuclear power, and in that context he, Zmeyevskiy, now understands why India had misinterpreted the language on eligibility to receive LEU set forth in Russia's proposal. He also reported that more constructive signals in capitals had been received, but no action has been taken thus far. Zmeyevskiy finally questioned whether or not the advocates of fuel assurance mechanisms would ever get the support of the G-77, and if we did not, would the approval of such mechanisms be worthwhile if achieved only in a contested vote.

14. (SBU) Mission plans July 8 an informal consultation with Russian colleagues and representatives from states that have donated to the IAEA's nuclear fuel bank fund, in order to address eligibility criteria and other substantive issues as well as tactical next steps.

PYATT